MILITARY PAY & RETIREMENT/New Taxes to Offset the Bill's Costs

SUBJECT: Soldiers', Sailors', Airmen's, and Marines' Bill of Rights Act of 1999 . . . S. 4. Gramm constitutional point of order against the Graham amendment No. 29.

ACTION: POINT OF ORDER SUSTAINED, 80-20

SYNOPSIS: As reported, S. 4, the Soldiers', Sailors', Airmen's, and Marines' Bill of Rights Act of 1999: will authorize a 4.8-percent military pay raise, effective January 1, 2000; will reform the military pay tables; will revise the military retirement system; will authorize active duty military personnel to participate in the Thrift Savings Plan; will revise benefits under the Montgomery G.I. Bill; will authorize a special subsistence allowance for enlisted military personnel who demonstrate eligibility for food stamps; and will require an annual report on the impact of these changes on recruitment and retention.

The Graham amendment would raise taxes by \$17.979 billion over the next 10 years to pay for unfunded costs of benefits provided by this bill. More specifically, it would raise \$5.501 billion from reimposing the environmental tax on corporations for the hazardous waste fund (Superfund), it would raise \$6.718 billion from reimposing the Superfund excise taxes, it would raise \$2.311 billion from reimposing the excise tax for the oil spill liability trust fund, and it would raise \$3.449 billion from modifying the current-law foreign tax credit carryover provision to allow a 7-year carry-forward but only a 1-year carry-back.

After debate, Senator Gramm raised the constitutional point of order that the amendment was a revenue measure, and was therefore out of order because revenue measures must originate in the House. Generally, those favoring the point of order opposed the amendment; those opposing the point of order favored the amendment.

NOTE: The amendment automatically fell when the point of order was sustained.

Those favoring the point of order contended:

We realize that the Senate is taking a holiday from reality by going on an unfunded, multi-billion spending spree with this bill.

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YEAS (80)		NAYS (20)		NOT VOTING (0)	
Republicans	Democrats	Republicans	Democrats	Republicans	Democrats
(55 or 100%)	(25 or 56%)	(0 or 0%)	(20 or 44%)	(0)	(0)
Abraham Allard	Hutchinson Hutchison	Baucus Biden		Akaka Bayh	
Ashcroft	Inhofe	Bingaman		Bryan	
Bennett	Jeffords	Boxer		Daschle	
Bond	Kyl	Breaux		Feingold	
Brownback	Lott	Byrd		Graham	
Bunning	Lugar	Cleland		Harkin	
Burns	Mack	Conrad		Hollings	
Campbell	McCain	Dodd		Inouye	
Chafee	McConnell	Dorgan		Johnson	
Cochran	Murkowski	Durbin		Kennedy	
Collins	Nickles	Edwards		Kohl	
Coverdell	Roberts	Feinstein		Levin	
Craig	Roth	Kerrey		Lincoln	
Crapo	Santorum	Kerry		Moynihan	NATION OF ABSENCE
DeWine	Sessions	Landrieu		1 0.00	
Domenici	Shelby	Lautenberg			cial Business
Enzi	Smith, Bob	Leahy		Rockefetter Nece	essarily Absent
Fitzgerald	Smith, Gordon	Lieberman		Torrice Hi-Illne	SS
Frist	Snowe	Mikulski		Wellstone Othe	r
Gorton	Specter	Murray		~~~	
Gramm	Stevens	Reid		SYMBO	
Grams	Thomas	Sarbanes			nounced Yea
Grassley	Thompson	Schumer			nounced Nay
Gregg	Thurmond	Wyden		PY—Pai	
Hagel	Voinovich			PN—Pai	red Nay
Hatch	Warner				
Helms					

VOTE NO. 25 FEBRUARY 24, 1999

However, the answer to that distressing and depressing problem is certainly not to raise the tax burden, especially considering that the Senate has no constitutional right to initiate tax bills. The amendment contains several major changes to the Tax Code that will affect America's competitiveness in the world market and that will increase the total tax burden on the American people, which is already at its highest level in history. We emphatically oppose new taxes. Further, if this amendment were to pass, the bill would be dead because the House would "blue-slip" (refuse to consider) it because the Constitution says that all tax bills must originate in the House. Therefore, on policy and constitutional grounds, we strongly support the point of order that has been raised against this amendment.

Those opposing the point of order contended:

The Finance Committee estimated that this bill, as reported, had an unfunded liability of \$16.5 billion over 10 years. We believe that it is a pretty sorry way to begin a new Congress by spending \$16.5 billion in new entitlement spending without trying to find anyway to offset that cost. Members fought hard, for years, to get the budget into balance. Surpluses are now projected. We should not squander those surpluses and renew deficit spending. Our military forces deserve better compensation, but that does not mean that they have to be paid in borrowed money. The four tax increases proposed in the Graham amendment are all for measures that have passed the Senate on prior occasions and that should not really be that controversial. We admit that the constitutional point of order is well taken, but we note that on popular bills such as this bill such matters can be resolved within constitutional requirements. All Senators should consider is whether they believe that the Graham amendment proposes a responsible source of funding for this bill's unfunded spending. If so, they should oppose the point of order.